CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
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Ole Lynggaard Retail ApS

Hellerupvej 15 B, 2900 Hellerup

Company reg. no. 28 71 33 55

Annual report

1 January - 31 December 2022

The annual report has been submitted and approved by the general meeting on the 15 May 2023.

Søren Lynggaard
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of Ole Lynggaard Retail ApS for the financial year 1 January - 31 December 2022.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 15 May 2023

Managing Director

Søren Ole Lynggaard

Board of directors

Ole Lynggaard	Søren Ole Lynggaard	Charlotte Lynggaard

Independent auditor's report

To the Shareholder of Ole Lynggaard Retail ApS

Opinion

We have audited the financial statements of Ole Lynggaard Retail ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 15 May 2023

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Torben Laurentz Wiberg
State Authorised Public Accountant
mne11651

Company information

The company	Ole Lynggaard Retail ApS Hellerupvej 15 B 2900 Hellerup	
	Company reg. no.	28 71 33 55
	Financial year:	1 January - 31 December
Board of directors	Ole Lynggaard Søren Ole Lynggaard Charlotte Lynggaard	
Managing Director	Søren Ole Lynggaard	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø	
Parent company	Ole Lynggaard A/S Hellerup	
Subsidiaries	Ole Lynggaard Retail Danmark ApS, Hellerup Ole Lynggaard Retail Sverige ApS, Sweden Ole Lynggaard Copenhagen Pty. Ltd., Australia Ole Lynggaard Copenhagen Sarl., France Ole Lynggaard Retail Norge AS, Norway	

The principal activities of the company

The principal activities of the company comprise equity investments in group enterprises' operations in retail and webshop with Ole Lynggaard Copenhagen jewellery.

Development in activities and financial matters

The gross loss for the year totals DKK -19 thousand against DKK -12 thousand last year. Income or loss from ordinary activities after tax totals DKK 2.036 thousand against DKK 8.512 thousand last year. Management considers the net profit or loss for the year satisfactory.

Expected developments

We expect a gross profit of DKK - 20 thousand and income from ordinary activities after tax between DKK 2.000 and DKK 5.000 thousand.

Events occurring after the end of the financial year

No events have occured subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Income statement 1 January - 31 December

DKK thousand.

Note		2022	2021
	Gross profit	**-19**	**-12**
	Income from investments in subsidiaries	2.019	8.510
	Other financial income from subsidiaries	41	14
	Pre-tax net profit or loss	**2.041**	**8.512**
	Tax on net profit or loss for the year	-5	0
	Net profit or loss for the year	**2.036**	**8.512**
	Proposed distribution of net profit:		
	Reserves for net revaluation according to the equity method	2.019	9.440
	Dividend for the financial year	1.850	10.000
	Allocated from retained earnings	-1.833	-10.928
	Total allocations and transfers	**2.036**	**8.512**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2022	2021
	Non-current assets		
1	Investments in group enterprises	18.330	26.497
	Total investments	18.330	26.497
	Total non-current assets	**18.330**	**26.497**
	Current assets		
	Receivables from subsidiaries	950	921
	Total receivables	950	921
	Total current assets	**950**	**921**
	Total assets	**19.280**	**27.418**

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	2022	2021
	Equity		
	Contributed capital	125	125
	Reserve for net revaluation according to the equity method	15.927	15.944
	Retained earnings	1.355	1.338
2	Proposed dividend for the financial year	1.850	10.000
	Total equity	**19.257**	**27.407**
	Liabilities other than provisions		
	Trade payables	18	11
	Income tax payable	5	0
	Total short term liabilities other than provisions	23	11
	Total liabilities other than provisions	**23**	**11**
	Total equity and liabilities	**19.280**	**27.418**

3 Contingencies

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	125	16.641	2.266	0	19.032
Share of results	0	9.440	-10.928	10.000	8.512
Exchange rate adjustments	0	-137	0	0	-137
Distributed dividend	0	-10.000	10.000	0	0
Equity 1 January 2022	125	15.944	1.338	10.000	27.407
Distributed dividend	0	0	0	-10.000	-10.000
Share of results	0	2.019	-1.833	1.850	2.036
Exchange rate adjustments	0	-186	0	0	-186
Distributed dividend	0	-1.850	1.850	0	0
	125	**15.927**	**1.355**	**1.850**	**19.257**

DKK thousand.

		2022	2021
1.	**Investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2022	554	1.483
	Disposals during the year	0	-929
	Cost 31 December 2022	**554**	**554**
	Revaluations, opening balance 1 January 2022	25.943	16.641
	Translation by use of the exchange rate valid on balance sheet	-186	-137
	Results for the year before goodwill amortisation	2.019	8.510
	Reversals for the year concerning disposals	0	929
	Dividend	-10.000	0
	Revaluation 31 December 2022	**17.776**	**25.943**
	Carrying amount, 31 December 2022	**18.330**	**26.497**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Ole Lynggaard Retail ApS
Ole Lynggaard Retail Danmark ApS, Hellerup	100 %	12.398	1.859	12.398
Ole Lynggaard Retail Sverige ApS, Sweden	100 %	1.097	25	1.097
Ole Lynggaard Copenhagen Pty. Ltd., Australia	100 %	3.883	124	3.883
Ole Lynggaard Copenhagen Sarl., France	100 %	439	-21	439
Ole Lynggaard Retail Norge AS, Norway	100 %	513	32	513
		18.330	**2.019**	**18.330**

		2022	2021
2.	**Proposed dividend for the financial year**		
	Dividend 1 January 2022	10.000	0
	Distributed dividend	-10.000	0
	Dividend for the financial year	1.850	10.000
		1.850	**10.000**

DKK thousand.

3. Contingencies

Joint taxation

With Ole Lynggaard A/S, company reg. no 83024917 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations is stated in the annual report of the parent company, why we refer to it.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

The annual report for Ole Lynggaard Retail ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statements. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

Income statement

Gross loss

Gross loss comprises external costs.

Other external costs comprise costs incurred for administration.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries but are not represented in the parent, the following accounting policies have been applied.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statements as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Ole Lynggaard Retail ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Søren Ole Lynggaard

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Søren Ole Lynggaard
Direktør
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Underskrevet med MitID

Ole Lynggaard

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Charlotte Lynggaard

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Torben Laurentz Wiberg

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Søren Ole Lynggaard

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Dirigent
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